



**HOME BUILDERS & REMODELERS ASSOCIATION
OF CONNECTICUT, INC.**

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*Your Home
Is Our
Business*

February 8, 2013

To: Senator Danté Bartolomeo, Co-Chairman
Representative Larry Butler, Co-Chairman
Members of the Housing Committee

From: Bill Ethier, CAE, Chief Executive Officer

Re: **All bills on sec. 8-30g, Affordable Housing Appeals Act**

The HBRA of Connecticut is a professional trade association with about nine hundred (900) member firms statewide employing tens of thousands of CT's citizens. Our members, all small businesses, are residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to our diverse industry and to consumers. While our membership has declined over the course of our seven-year Great Recession from its high of 1,500 members, we build between 70% to 80% of all new homes and apartments in the state each year and engage in countless home remodeling projects.

We are strongly opposed to all bills that would further weaken the usefulness of the Affordable Housing Appeals Act, sec. 8-30g, in providing needed housing for Connecticut's citizens. We offer the committee our general policy on the act with the hope that it will be considered in the committee's discussions on this important topic. We also endorse the joint statement, Reasons to Preserve Gen. Stat. sec. 8-30g, submitted to you.

In our view, and as corroborated by the legislature's Blue Ribbon Commission to Study Affordable Housing and economic work done by Don Klepper-Smith for the CT Partnership for Strong Communities, **the need for more affordable housing in Connecticut remains as severe as it has ever been.** Many of our communities have extremely high housing costs. The disparity between the wealthy and poor in Connecticut is pronounced as high housing costs continue to represent a significant barrier to movement of households to different communities. The high cost of housing is also a drag on the general economy as it is one of several factors that businesses will look at in determining whether to locate or expand in Connecticut. Remember – Homes Are Where Jobs Go At Night. Also, please understand the tremendous economic value that new housing provides to our economy (see attached).

The Affordable Housing Appeals Act is just one method, albeit a very important one, of obtaining more affordable housing than what might otherwise be obtained. The act is a vital part of the overall affordable housing effort since it provides help in obtaining necessary, but often difficult and elusive, land use approvals, which are made even more difficult whenever a builder proposes to provide "affordable housing." The act also serves as a critical counter balance to the continuing no-growth movement and draconian land use approval processes that exist across Connecticut. The land use review

process for new development of any kind is severely broken in this state and absent a complete rewrite of our land use statutes that reflects balanced growth and the importance of housing in every community the act is the only statutory tool available to new housing developers to bring some reason to our land use challenges.

The diversity of housing opportunities the act helps to create is especially important in encouraging citizens who work in a municipality to be able to live in that municipality. Where this goal is accomplished, people then enjoy better commutes to and from work and traffic congestion and air pollution are decreased, as are work stress and absenteeism.

Contrary to opponents of the act, the act is not a mandate on municipalities. The act, even before the amendments passed between 1995 and 2000, did not prevent the denial of a project. The act says to communities that if you want to deny an affordable housing application, then merely show some justification for the denial based on public health and safety reasons. The courts consistently uphold denials of projects based on these and other reasons, such as adverse impacts to wetlands and the environment.

The HBRA of CT wholeheartedly supports the goal and the statutory language of the act as it existed prior to the 1995 legislative session. Since 1995, however, the act has been amended such that it has less meaning today to the private for-profit builder wishing to create a "set-aside" development. Today, in many cases, but not all, the "numbers" just do not work to produce a viable project. **After many adopted legislative compromises that have weakened the act's utility, with no let up of calls to repeal it, we believe that no further "compromises" will satisfy the opponents of the act. Therefore, we ask you to stand firm and preserve what remains of the act.**

All land use approval policies from planning, zoning, subdivision, wetlands and many other areas are implemented by municipalities pursuant to state adopted enabling acts. The latitude afforded municipalities under these state enabling acts is vast, broad and very difficult to challenge. Thus, **we do not understand what is so wrong with a state policy that supports the production of housing that is more affordable than would be otherwise produced under our current land use approval system.**

Since passage of section 8-30g, municipalities have been held accountable to merely justify their decisions when an affordable housing application that meets the strictures of the act is submitted. We find nothing wrong with that since we believe that municipalities should be held meaningfully accountable, both socially and legally, for their decisions. To further weaken the standards for denial of applications ignores the current realities of the act's implementation and the dire need for more housing in CT.

Without 8-30g, Connecticut's citizens and would-be citizens would be faced with an ever-more difficult search to find affordable shelter. **We strongly urge the committee to not do any more harm to the Affordable Housing Appeals Act.**

Thank you for the opportunity to express our views on this important topic.

Home Building's Economic Impact in Connecticut

Home Builders Can Help Lead CT's Economic Recovery!

100 New Single Family Homes Create:

- 334 new jobs,
- \$29.5 million in wages,
- \$5.5 million in RE Taxes, Fees & Charges paid to State & Local Government in the 1st Year Alone!¹

2011 was the worst year on record for new housing permits. 2009 & 2010 ranked #2 and #3 for all-time worst permit years.²

**If Government Lets Us,
WE CAN TURN THINGS AROUND!**

**Home building not only itself creates jobs
and leads economic trends**

but also

HOMES ARE WHERE JOBS GO AT NIGHT

Message to Gov't: Please, let us build them.

¹ 100 multi-family units create 165 jobs, \$14.5 million in wages and \$2.9 million in taxes & fees in the 1st year alone. In the 2nd year and subsequent years, on average each 100 housing units (both SF and MF) create another 52 jobs, producing annually \$4.3 million in wages and \$1.4 million in taxes & fees for state & local government, due to occupant's economic activity. For more on Homes Do Pay for Themselves, go to www.hbact.org, and click on "Housing & Economic Development" under the Knowledge Center menu.

² For all of CT, 2009 produced 3,136 new housing permits, 2010 saw 3,385 permits, and 2011 saw 3,123 permits. The average annual number of new housing permits from 2000-2006 was 10,146 (i.e., before the Great Housing Depression started in 2007). The average annual number of housing permits from 1990-1999 was 8,990 (which includes the housing recession of the early 1990s). The 1980s averaged 18,300 annual permits. 2012 saw just over 4,000 permits, a healthy percentage increase but one that starts with the lowest base on record (and fully half are multifamily units).

